

105TH CONGRESS
1ST SESSION

S. 1149

To amend title 11, United States Code, to provide for increased education funding, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 4, 1997

Mr. GRASSLEY (for himself, Mr. DURBIN, Mr. COVERDELL, Mr. SHELBY, and Mr. KYL) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

To amend title 11, United States Code, to provide for increased education funding, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Investment in Edu-
5 cation Act of 1997”.

6 **SEC. 2. TREATMENT OF CERTAIN LIENS.**

7 (a) TREATMENT OF CERTAIN LIENS.—Section 724
8 of title 11, United States Code, is amended—

9 (1) in subsection (b), in the matter preceding
10 paragraph (1), by inserting “(other than to the ex-

1 tent that there is properly perfected unavoidable tax
 2 lien arising in connection with an ad valorem tax on
 3 real or personal property of the estate)” after
 4 “under this title”;

5 (2) in subsection (b)(2), after “507(a)(1)” and
 6 before the comma following thereafter insert “(ex-
 7 cept that such expenses, other than claims for
 8 wages, salaries or commissions which arise after the
 9 filing of a petition, shall be limited to expenses in-
 10 curred under Chapter 7 of this title and shall not in-
 11 clude expenses incurred under Chapter 11 of this
 12 title)”;

13 (3) by adding at the end the following:

14 “(e) Before subordinating a tax lien on real or per-
 15 sonal property of the estate which has arisen by virtue
 16 of state law, the trustee shall—

17 “(1) exhaust the unencumbered assets of the
 18 estate; and

19 “(2) in a manner consistent with section 506(c)
 20 of this title, recover from property securing an al-
 21 lowed secured claim the reasonable, necessary costs
 22 and expenses of preserving or disposing of that prop-
 23 erty.

24 “(f) Notwithstanding the exclusion of ad valorem tax
 25 liens set forth in this Section, claims for wages, salaries

1 and commissions entitled to priority under Section
 2 507(a)(3) or claims for contributions to an employee bene-
 3 fit plan entitled to priority under 507(a)(4) may be paid
 4 from property of the estate which secures a tax lien, or
 5 the proceeds of such property subject to the requirements
 6 of Subsection 724(e).”.

7 (b) DETERMINATION OF TAX LIABILITY.—Section
 8 505(a)(2) of title 11, United States Code, is amended—

9 (1) by striking “or” at the end of subparagraph
 10 (A);

11 (2) by striking the period at the end of sub-
 12 paragraph (B) and inserting “; or”; and

13 (3) by adding at the end the following:

14 “(C) the amount or legality of any amount
 15 arising in connection with an ad valorem tax
 16 real or personal property of the estate if the ap-
 17 plicable period for contesting or redetermining
 18 that amount under any law (other than a bank-
 19 ruptcy law) has expired.”.

20 **SEC. 3. ENFORCEMENT OF CHILD AND SPOUSAL SUPPORT.**

21 Section 522(c)(1) of title 11, United States Code, is
 22 amended by inserting “provided that, notwithstanding any
 23 federal or state law relating to the enforcement of liens
 24 or judgements on exempted property, exempt property

- 1 shall be liable for debts of a kind specified in Section
- 2 523(a)(5) of this title,” at the end of the subsection.

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